

24<sup>th</sup> May 2021

BSE Limited Corporate Relationship Dept. 1 <sup>st</sup> . Floor, New Trading Ring, Rotunda Building, P. J. Towers, Fort <u>Mumbai – 400 001</u>  BSE:504112	National Stock Exchange of India Limited 5 <sup>th</sup> Floor, Exchange Plaza, Plot No.C-1, Block “G” Bandra Kurla Complex Bandra (East) <u>Mumbai – 400 051</u>  NSE:Nelco EQ
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Dear Sirs,

Sub: Notice of the 78<sup>th</sup> Annual General Meeting & Annual Report for FY 2020-21

The 78<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Tuesday, 22<sup>nd</sup> June 2021 at 4.30 p.m. (IST) via two-way Video Conference / Other Audio Visual Means.

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we are submitting herewith the Annual Report for the year 2020-21 alongwith the Notice of the AGM which is being sent only through electronic mode to the Members.

The Annual Report containing the notice of AGM is also available on the following link:  
<https://www.nelco.in/pdf/Annual-Reports/NELCO-Limited/AnnualReport-2020-21.pdf>

This is for your information and record.

Thanking you,

Yours faithfully  
For Nelco Limited



Girish V. Kirkinde  
Company Secretary & Head - Legal

Encl: As above.

## NOTICE

The SEVENTY EIGHTH ANNUAL GENERAL MEETING of NELCO LIMITED will be held on Tuesday, the 22<sup>nd</sup> day of June, 2021 at 4.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2021.
4. To appoint a Director in place of Mr. Anand Agarwal (DIN 06398370) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 5. Reappointment of Mr. P. J. Nath as Managing Director & CEO

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED** that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. P. J. Nath (DIN: 05118177) as the Managing Director & Chief Executive Officer of the Company for the period of 3 years commencing from 13<sup>th</sup> June 2021 to 12<sup>th</sup> June 2024, not liable to retire by rotation, upon the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and the terms of remuneration in such manner as may be agreed to between the Board of Directors and Mr. Nath.

**RESOLVED FURTHER** that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

### NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021 ("SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, 22<sup>nd</sup> June, 2021 at 4.30 p.m. (IST). The deemed venue for the AGM will be EL-6, TTC Industrial Area, Electronics Zone, MIDC, Mahape, Navi Mumbai - 400 710.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated 5<sup>th</sup> May 2020, the matter of Special Business as appearing at Item No. 5 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from Director/s for seeking re-appointment.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Institutional Investors, who are Members of the Company, are encouraged to attend the 78<sup>th</sup> AGM through VC / OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at [nelco.scrutinizer@gmail.com](mailto:nelco.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circulars dated May 5, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 78<sup>th</sup> AGM has been uploaded on the website of the Company at [www.nelco.in](http://www.nelco.in) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. **Book Closure and Dividend:**
  - i) **The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 9<sup>th</sup> June 2021 to Monday, 14<sup>th</sup> June 2021, both days inclusive.** The dividend of ₹ 1.20 per equity share of ₹10 each (i.e.12%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, on or after Friday, 25<sup>th</sup> June, 2021 as under:

To all the Beneficial Owners as at the end of the day on **Tuesday, 8<sup>th</sup> June 2021** as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

To all Members in respect of **shares held in physical form** after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent on or before the close of business hours on **Tuesday, 8<sup>th</sup> June 2021**.
  - ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by

sending documents through e-mail by Wednesday, 2<sup>nd</sup> June 2021. For the detailed process, please click here <https://www.nelco.in/pdf/disclosure-of-events/tax-deduction-20may21.pdf>

- iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited, so that it reaches them latest by Wednesday, 2<sup>nd</sup> June 2021:
- a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
    - Name and Branch of Bank and Bank Account type;
    - Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
    - 11 digit IFSC Code.
  - b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - c. self-attested copy of the PAN Card; and
  - d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

- iv) The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/Bankers' cheque/demand draft to such Members, upon normalization of postal services and other activities.
  - v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and shares transferred to IEPF, please refer to Company's website viz. [www.nelco.in](http://www.nelco.in). Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19 & 2019-20, are requested to make their claims to the Company accordingly, without any delay.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited ("TSRDCPL") at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) for assistance in this regard.
  10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to TSRDCPL at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at [www.nelco.in](http://www.nelco.in). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at <mailto:csg-unit@tcplindia.co.in> in case the shares are held in physical form, quoting your folio no.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TSRDCPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 13.(i) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [girish.kirkinde@nelco.in](mailto:girish.kirkinde@nelco.in) by mentioning their DP ID & Client ID/Physical Folio Number.
- (ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 19<sup>th</sup> June, 2021 through email on [girish.kirkinde@nelco.in](mailto:girish.kirkinde@nelco.in). The same will be replied by the Company suitably.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
15. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSRDCPL in case the shares are held by them in physical form.

**Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**

- i. **Registration of e-mail addresses with TSRDCPL :** The Company has made special arrangements with TSRDCPL for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to TSR on or before **5.00 p.m. (IST) on Monday, 7<sup>th</sup> June 2021.**

**Process to be followed for registration of e-mail address is as follows:**

- a. Visit the link [https://tcpl.linkintime.co.in/EmailReg/Email\\_Register.html](https://tcpl.linkintime.co.in/EmailReg/Email_Register.html)
- b. Select the Name of the Company from dropdown
- c. Enter the Folio No./DP ID, Client ID, Shareholder Name, PAN details, Mobile no. and E-mail id. Shareholders holding shares in physical form are required to additionally enter one of their share certificate numbers.
- d. System will send OTP on mobile no and email id.
- e. Enter OTP received on mobile no and email id.
- f. The system will then confirm the e-mail address for the limited purpose of service of Notice of AGM and Annual Report 2020-21.

The above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2020-21 along with the e-Voting user ID and password. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- ii. **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with TSR, in respect of physical holding, by writing to them at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/TSR to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

- iii. Alternatively, Members may also send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of e-mail addresses for e-Voting for the resolutions set out in this Notice:
- **In case shares are held in physical form**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
  - **In case shares are held in demat form**, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
16. Remote e-Voting before/during the AGM:
- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
  - ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 15<sup>th</sup> June 2021 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 15<sup>th</sup> June 2021, may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - iii. The remote e-Voting period commences on Saturday, 19<sup>th</sup> June 2021 at 9.00 a.m. (IST) and ends on Monday, 21<sup>st</sup> June 2021 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 15<sup>th</sup> June 2021.
  - iv. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
  - v. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
17. **Other instruction**
- (i) Mr. P. N. Parikh, Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
  - (ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.

- (iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.
  - (iv) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nelco.in](http://www.nelco.in) and on the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE").
  - (v) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, 22<sup>nd</sup> June 2021.
  - (vi) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>
18. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

**A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. **Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 78<sup>th</sup> AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at [girish.kirkinde@nelco.in](mailto:girish.kirkinde@nelco.in) before 3.00 p.m. (IST) on Saturday, 19<sup>th</sup> June 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.**
- vi. **Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [girish.kirkinde@nelco.in](mailto:girish.kirkinde@nelco.in) between Thursday, 17<sup>th</sup> June 2021 (9.00 a.m. IST) and Saturday, 19<sup>th</sup> June 2021 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.**
- vii. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on toll-free number: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM**

The instructions for remote e-Voting before the AGM are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The instructions for e-Voting during the AGM are as under:**

- i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**General Guidelines for Members:**

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- ii. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on the toll-free number: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

By Order of the Board of Directors

**Girish V. Kirkinde**  
Company Secretary & Head – Legal  
ACS 7493

Navi Mumbai, 28<sup>th</sup> April 2021

**Registered Office:**

EL-6, TTC Industrial Area, MIDC Electronics Zone,  
Mahape, Navi Mumbai – 400 710  
CIN: L32200MH1940PLC003164  
Tel.: 91 22 67399100 Fax.: 91 22 67398787  
E-mail: [services@nelco.in](mailto:services@nelco.in)  
Website: [www.nelco.in](http://www.nelco.in)

## EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice dated 28<sup>th</sup> April 2021.

### Item No.: 5

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Mr. P. J. Nath was earlier re-appointed by the Board as Managing Director & CEO of the Company for the period commencing from 13<sup>th</sup> June 2018 to 12<sup>th</sup> June 2021. The Members also approved his reappointment by passing special resolution at the 75<sup>th</sup> AGM held on 20<sup>th</sup> July 2018.

Based on the recommendation made by the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 28<sup>th</sup> April 2021, passed a resolution for re-appointment of Mr. Nath as Managing Director & CEO of the Company for a period of 3 years commencing from 13<sup>th</sup> June 2021 to 12<sup>th</sup> June 2024, subject to approval of the Members.

Mr. Nath, aged 59 years, joined the Company on 21<sup>st</sup> February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13<sup>th</sup> June 2012. He was re-designated as Managing Director & CEO effective from 1<sup>st</sup> June 2017. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 33 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 23 years he has been in leadership roles. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.

MD & CEO is responsible for managing the day-to-day business affairs of the Company as well as its long-term strategic growth. This includes formulation & implementation of strategic business plans, brand strategy, implementation of organization structure, ramping up visibility of the Company with the external customers and partners, forging alliances with global players, establishing strong business & operational processes and overseeing various compliances.

During the period February 2011 to April 2021 Mr. Nath has successfully led the restructuring of the Company and turned the same into a profitable and healthy Satcom Service Company.

Under the leadership of Mr. Nath, the Company and its wholly owned subsidiary, Tatanet Services Ltd. achieved continuous improvement in operating parameters and registered robust operating performance year-on-year, especially in past 3 years, which has reflected in improved operating profits. His sustained and focused efforts on improving operational performance, building relationships with key stakeholders and improving internal processes have led to achieving of financial performance goals. He has actively led the regulatory and advocacy efforts to ensure smooth working relationships with Government, Regulators, Customers and other key stakeholders to overcome challenges and hurdles. He was actively involved in discussions with the Govt. authorities regarding opening up the In-flight & Maritime Communication (IFMC) services. The Company was one of the first to acquire the IFMC license in the country and was the first to start the commercial services for Maritime Communication and Aero IFC services in the country. Mr. Nath was instrumental in signing up with multiple global players in this space. This has resulted in the Company earning sizeable revenue in FY2019-20 and FY2020-21 and attaining market leadership in the country for these high growth sectors.

The Profit / (Loss) Before Tax has grown from ₹ (16.17) crs in FY 2011 to ₹ 15.88 Cr in FY 2021. The PBDIT without Other income has also grown to ₹ 44.87 Cr. Even in FY 21 when the economy and Satcom industry was suffering due to Covid pandemic related downfall, the Company at a Consolidated basis has successfully been profitable at Operating PBDIT of ₹ 47.71 Cr and PBT of ₹ 15.88 Cr. The Net worth of the Company is also at its highest ever at ₹ 75.78 Cr as on 31<sup>st</sup> March 2021.

One of the key objectives of reappointing Mr. Nath is to help the Company sustain its market leadership in the key high growth areas and also lead the Company to the next level of growth.

The principal terms and conditions of Mr. Nath's reappointment as Managing Director & Chief Executive Officer (hereinafter referred to as 'Mr. Nath' or the 'Managing Director and CEO') and the main clauses of the agreement to be executed between the Company and Mr. Nath are as follows:

**1. Term and Termination:**

- 1.1 From 13<sup>th</sup> June 2021 to 12<sup>th</sup> June 2024.
- 1.2 The Agreement may be terminated earlier, without any cause, by Mr. Nath or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

**2. Duties and Powers:**

- 2.1 The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the Managing Director & CEO from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive bodies or any committees of such a company.
- 2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.
- 2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- 2.4 Mr. Nath shall undertake his duties from such location as may be directed by the Board.

**3. Remuneration:**

- 3.1 So long as the Managing Director & CEO performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

- a) Salary: Basic Salary ₹ 5,67,000/- per month upto a maximum of ₹ 10,00,000/- per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1<sup>st</sup> April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and taking into account the Company's performance as well.

- b) Benefits, Perquisites, Allowances:

In addition to the Salary referred to in (a) above, Managing Director & CEO shall be entitled to:

- (i) House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum.
- (ii) Hospitalization, Telecommunication & other facilities:
  - Reimbursement of hospitalization and major medical expenses incurred as per Company Rules including Mediclaim insurance premium for insurance coverage upto ₹ 25 lakhs (floater coverage).
  - Telecommunication facilities including broadband, internet and mobile as per the Rules of the Company.
- (iii) a car along with driver for official and personal uses with reimbursement of fuel charges and maintenance costs at actual. The value of the car to be provided shall not exceed ₹ 20.00 lakhs (ex-showroom)

or

In case he opts to use his own car, he will be entitled for fixed allowance of ₹ 41,720/- and ₹ 45,000/- (for fuel and maintenance). The driver will be provided by the Company.

The Board may revise the said fixed car allowances as per the base cost calculation, as and when necessary.

- (iv) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:
- |    |                                     |  |
|----|-------------------------------------|--|
| a. | Medical allowance – 8.33%           |  |
| b. | Leave Travel Concession/Allowance   | - 8.33%                                |
| c. | Meal vouchers and Other Allowances  | - 33.34%                               |
| d. | Personal Accident Insurance Premium | } @ actual subject<br>} to a cap of 5% |
| e. | Annual club membership fees         |  |
- (v) Contribution to Provident Fund and Gratuity as per the Rules of the Company.
- (vi) The MD & CEO shall be entitled to privilege, sick and casual leave in accordance with the Rules of the Company. The carry forward and encashment of leave earned but not availed by MD & CEO would be in accordance with the Rules of the Company.
- (vii) The MD & CEO will also enjoy all benefits of continuity of service with regard to Gratuity and other benefits for the purposes of which the date of joining shall be the date on which he joined as Chief Executive Officer of the Company.
- (viii) It is clarified that the details mentioned under Car, Hospitalization, Telecommunication and other facilities, shall not be included in computation of Annual Fixed Compensation.
- c) Performance Linked Payment (PLP):

In addition to the Basic Salary, Benefits, Perquisites & Allowances, Mr. Nath will be paid annually such remuneration by way of performance linked payment subject to a maximum of 78% of Annual Fixed Compensation based on certain performance criteria and such other parameters as may be considered appropriate by the Board from time to time.

An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are:

- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time;
- Industry benchmarks of remuneration;
- Performance of the individual.

Commission: In addition to Salary, Benefits, Perquisites, Allowances the Managing Director & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

The aforesaid Performance Linked Payment would be payable only when the Company will not be paying the commission.

- 3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits, or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances and performance linked payment as specified above.
- 3.3 Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.
4. The terms and conditions of the re-appointment of the Managing Director & CEO and/or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

5. The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
6. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.
7. The employment of the Managing Director and CEO may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the Managing Director and CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - b. in the event of any serious or repeated or continuing breach (after warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or
  - c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.
8. In the event the Managing Director & CEO is not able to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
9. Upon the termination by whatever means of his employment under the Agreement:
  - a. the Managing Director & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;
  - b. the Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.
10. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Nath will cease to be the Managing Director & CEO and cease to be a Director of the Company. If at any time, the Managing Director & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the Managing Director & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & CEO of the Company.
11. The terms and conditions of the reappointment of the Managing Director & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

The remuneration paid/payable to the Managing Director & CEO for FY 2021-22 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them.

The Directors are of the view that the reappointment of Mr. Nath as Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company. The remuneration payable to him is commensurate with his abilities and experience and accordingly, the Board commend the Special Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

The Managing Director & CEO satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for reappointment. He is not disqualified from being a Director in terms of Section 164 of the Act.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act read with Schedule V to the Act, the terms of reappointment and remuneration of Mr. P.J.Nath as specified above are now placed before the Members for their approval.

Other than Mr. Nath and his relatives, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution at Item No.5 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company.

**Information pursuant to Schedule V of the Act****I. General Information:**

1. Nature of Industry: Electronics and Telecommunications activities
2. Date of /expected date of commencement of commercial production:  
The Company was incorporated on 31<sup>st</sup> August 1940 and started commercial production immediately.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators:

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Consolidated Revenue from Operations (Gross)	22,896	22,242
Standalone Revenue from Operations (Gross)**	3,959	4,064
Consolidated Profit for the period	1,236	1,438
Standalone Profit for the period	718	1,368
Profit/(Loss) pursuant to Section 198 of the Companies Act, 2013	(7,253)	(8,595)

\*\*Continuing operations.

The Company earned profits during FY 2019-20 and FY 2020-21 as well as consistently in all the preceding eight quarters, as shown below:

(₹ in lakhs)

Profit After Tax (PAT)	Quarter Ended Jun'19	Quarter Ended Sep'19	Quarter Ended Dec'19	Quarter Ended Mar'20	Quarter Ended Jun '20	Quarter Ended Sep'20	Quarter Ended Dec'20	Quarter Ended Mar'21
Standalone	686	308	205	169	29	162	331	196
Consolidated	338	153	365	582	222	184	382	448

5. Foreign investments or collaborations, if any:

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors mainly comprise of investors in the Company because of past issuances of shares and secondary market purchase.

**II. Information about the Appointee:**

1. Background details

Mr. Nath, aged 59 years, joined the Company on 21<sup>st</sup> February 2011 as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13<sup>th</sup> June 2012 and subsequently as Managing Director & CEO effective 1<sup>st</sup> June 2017. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 33 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 23 years have been in leadership roles in the various companies that he has worked for. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.

2. Past Remuneration

(₹ in lakhs)

Particulars	FY 2020-21	FY 2019-20
Basic Salary	63.00	63.00
Perquisites & Allowance (plus Car allowances)	98.10	98.10
One-time lump sum payment	9.30	-
Retirals (PF + Gratuity)	10.59	10.59
Performance Linked Payment	113.40	103.11
Total	294.39	274.80

Contribution to Provident Fund, Gratuity as per the Rules of the Company.

Leave and encashment of un-availed leave as per the Rules of the Company.

3. Recognition and Awards

In his previous organizations, Mr. Nath, on multiple occasions has received many recognitions and appreciations for building up new businesses as well as turning around existing businesses. His contribution has also been recognized in the turning around of the Company and putting it in the path of profitable growth by focusing on the Satellite communication services business and taking leadership position in some of the important markets.

4. Job Profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr. Nath's broad functional and general management skills, his rich experience of over 33 years in growing organizations and developing new markets, the Board reappointed Mr. Nath effective from 13<sup>th</sup> June 2021. Also, as a Director, he is nominated on the Board of Company's wholly owned Subsidiaries.

5. Remuneration proposed

Please refer to the principal terms of remuneration as mentioned herein above of this Notice. In monetary terms the proposed remuneration for tenure from 13<sup>th</sup> June 2021 to 12<sup>th</sup> June 2024 is given hereunder:

Particulars	13 <sup>th</sup> June 2021 to 12 <sup>th</sup> June 2022 (₹)	13 <sup>th</sup> June 2022 to 12 <sup>th</sup> June 2023 (₹)	13 <sup>th</sup> June 2023 to 12 <sup>th</sup> June 2024 (₹)
Basic Salary	68.04	5,67,000 (per month) + Increment*	
Perquisites & Allowance including car	105.66	140% of Basic Salary + Car Allowance	
Retirals (PF + Gratuity)	11.44	16.81% of Basic Salary	
Performance Linked Payment	136.29	Upto 78% of Fixed CTC #	
Total	321.43		

#Assumed at maximum level of 78% of Fixed CTC.

Fixed CTC is sum of Basic + Perquisites & Allowance (excluding car allowance) + Retirals.

\*Actual Basic salary would be decided by the Board subject to performance and within the said maximum Basic salary of Rs. 10,00,000/- per month. The remaining salary components are a function of the Basic salary & Fixed CTC as given above. The Company's annual increment cycle is currently applicable from 1<sup>st</sup> April to 31<sup>st</sup> March.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Considering the industry in which the Company operates, the size of the business as well as the profile of Mr. Nath and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies in the industry.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other directors, if any:

Mr. Nath has joined the Company in a professional capacity and meets the criteria of a professional director with appropriate qualifications, does not hold any securities of the Company and is not related to the promoters or any director of the Company. Besides the remuneration paid/payable to Mr. Nath, he does not have any other pecuniary relationship with the Company or with the managerial personnel or other directors of the Company.

### III. Other information

1. Reasons for inadequate profits in earlier years:

The Company has been making profits since Financial Year 2013-14 and the profits have been growing year on year. During the pandemic hit Financial Year 2020-21 also the Company made healthy profits, though in absolute terms the same was lower than the previous year.

The reason for inadequate profits under Section 197 is due to the accumulated losses of the past periods. The Company suffered losses in the past, mainly from some of the businesses which were not able to generate profits due to the market conditions. The Company has divested these loss-making businesses and is now making profits consistently year on year. However, it will take some more time to wipe out the old accumulated losses.

2. Steps taken by the Company to improve performance:

The Company has divested all its loss-making businesses except one, which is being run on a maintenance mode to honour the warranty and annual maintenance commitments as per the contract. The Company has been focusing only on the profitable business of Satellite communication services, which has large growth prospects globally and in India.

Under the leadership of Mr. Nath, the Company has transformed itself to become a major Satellite communication service provider, also called as VSAT service provider in the country. The Company focuses on the Enterprise segment and has attained leadership position in some of the important market segments. The Company was also the first to start the In-flight and Maritime Communication (IFMC) services after these services were allowed by Govt. of India. The Company offers communication services in Maritime vessels as well as Aircrafts flying over Indian airspace. The Company has already established itself as the market leader in the country for IFMC services, which have the fastest growth in the Satellite industry globally.

The Company is concentrating in building very robust infrastructure to be able to serve the various markets most cost-effectively. The Company has also built strong partnerships and alliances with global satellite players to enhance its capabilities and market coverage. The Company has taken lead in adopting newer technologies and working with global satellite operators to bring the latest technologies like Low Earth Orbit (LEO) satellites in the country as soon as these become commercially viable. With all these initiatives the Company will be able to have even faster growth and further strengthen its position in the market.

Mr. Nath has also been playing an active role in discussions with the Govt. and telecom regulators to bring about progressive regulatory regime in the country to facilitate faster growth in the Space sector. He is actively involved in the important industry bodies associated with the Satellite industry. He has been spearheading the initiatives of building stronger relationships with the important Govt. departments, which has resulted in better visibility of the Company with the Govt.

Mr. Nath, alongwith the senior management team has been focusing in improving the operational efficiency of the Company and its financial health. There has been a lot of focus around improving cost efficiency, people productivity, quality of service and customer satisfaction, which are helping the Company in having sustainable and profitable long-term growth. The Company has been growing its revenue steadily and made very healthy profits from financial year 2017-18 to 2020-21. Based on all the strategies deployed and the various initiatives taken, the Company is poised to grow at a fast pace in the short to medium term.

3. Expected increase in productivity and profits in measurable terms:

With expanded business lines including IFMC, augmented infrastructure, changing regulatory framework in the country, future expansion to markets beyond India and the various initiatives being taken up, the Company expects to significantly step up its operating and financial performance in the coming years. The Company also has a very ambitious growth plan for the next 5 years. It is difficult to predict the increase in revenue and profit of the Company for future years, as there are external dependencies on regulatory changes by the Govt., which are difficult to predict accurately in terms of timelines.

The NRC currently comprising of three independent directors [viz. Dr. Lakshmi Nadkarni (as Chairperson of the Committee), Mr. K.N.Murthy, and Mr. Ajay Kumar Pandey], Mr. R.R.Bhinge (Non-Executive Chairman of the Board) and Mr. Anand Agarwal (Non-Executive-Non-Independent Director) reviews and recommends the revision in the remuneration on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, revenue, EBITDA, cash flows, customer satisfaction, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent HR agencies on comparative industry remuneration and practices. The decisions taken at the NRC and the Board are within the broad framework of remuneration as approved by the Members.

The Company remains committed to pursue the long-term interest of all stakeholders, including the Company's Members and employees. To be able to achieve these objectives it is necessary to recruit and retain proven high calibre management team on a sustainable basis. This requires that the Company's leadership and talent base are appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution.

The Board commends the Special Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members. This item being special business, is unavoidable in nature. Except Mr. Nath, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company

By Order of the Board of Directors

**Girish V. Kirkinde**  
Company Secretary & Head – Legal  
ACS 7493

Navi Mumbai, 28<sup>th</sup> April 2021

**Registered Office:**

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**Details of the Director seeking appointment / re-appointment at Annual General Meeting [Pursuant to Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings.**

Name of the Director	Mr. Anand Agarwal (Non Executive Non- Independent)	Mr. P.J.Nath (Managing Director & CEO)
DIN	06398370	05118177
Date of Birth (Age)	10 <sup>th</sup> December 1973 (47 years)	1 <sup>st</sup> February 1962 (59 years)
Date of Appointment	24 <sup>th</sup> October 2019	13 <sup>th</sup> June 2012
Expertise in Specific Functional Area	Finance and Accounts	He has over 33 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 23 years he has been in leadership roles. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.
Qualifications	CA, CS, CFA, ICWA	Graduate from BITS Pilani in Master of Management Studies (MMS)
Terms and conditions of appointment or re-appointment	N.A.	As mentioned in the Explanatory statement attached to the notice of AGM dated 28 <sup>th</sup> April 2021
Relationship between Directors inter se	Mr. Agarwal is not related to any other Directors of the Company.	Mr. Nath is not related to any other Directors of the Company.
Directorship held in other Companies (excluding Foreign Companies)	<ul style="list-style-type: none"> <li>• Tata Power Solar Systems Ltd.</li> <li>• Renascent Power Ventures Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Tatanet Services Ltd.</li> <li>• Nelco Network Products Ltd.</li> <li>• Technopolis Knowledge Park Ltd.</li> </ul>
Committee positions held in other Companies	<p><b>Audit Committee</b> <u>Chairman:</u> Tata Power Solar Systems Ltd.</p> <p><b>Corporate Social Responsibility Committee</b> <u>Member:</u> Tata Power Solar Systems Ltd.</p>	Nil
Remuneration	No remuneration is paid.	As mentioned in the Explanatory Statement to the Notice dated 28 <sup>th</sup> April 2021 and also in Report on Corporate Governance.
No. of meetings of Board attended during the year	8	9
No. of shares held (a) Own (b) For other persons on a beneficial basis	NIL NIL	NIL NIL